Sale of profitable coal mines

1457. SHRI MD. SALIM:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of MINES AND MINERALS be pleased to state:

(a) whether Government's attention has been drawn to news-item, 'Profitable Coal Mine sell off mutted', appearing in Business Standard dated 26th November, 1999;

(b) if so, the names of the profitable or potentially profitable mines in ECL, BCCL, CCL proposed to be converted into a new company with 49% stake to a private investor; and

(c) the plan of Government with regard to the so called unprofitable mines?

THE MINISTER OF STATE IN THE MINISTRY OF MINES AND MINERALS (PROF. RITA VERMA): (a) The news item titled "Profitable Coal Mines Sell off Mulled" appearing in the edition dated 26th November, 1999 of "Business Standard" has been received in the Department of Coal, Ministry of Mines and Minerals.

(b) and (c) The Coal India Limited (CIL) have informed Department of Coal, Ministry of Mines and Minerals that M/s Industrial Credit and Investment Corporation of India Limited (ICICI) was engaged by CIL to prepare a turn-around plan for Eastern Coalfields Limited (ECL), a subsidiary company of CIL. In their draft report on ECL, M/s ICICI have indicated the need to insulate profit making and potentially profit making coal mines from the loss making coal mines so that the profit making/potentially profit making mines do not roll back in the category of loss making mines. One of the ideas thrown up by M/s ICICI in their report is formation of a joint venture company of the profit making/potentially profit making mines with private investment. No formal proposal in this regard has been received in the Department of Coal, Ministry of Mines and Minerals from CIL and therefore neither any identification of the profit making/potentially profit making coal mines for formation of the joint venture company has been done nor any decision regarding formation of the joint venture company taken.

Among the eight subsidiary companies of CIL, three subsidiary companies namely, ECL, Bharat Coking Coal Limited (BCCL) and Central Coalfields Limited (CCL) have been incurring losses. The Board of Directors of CIL have decided to engage M/s ICICI and Industrial Development Bank of India for formulation of the revival plans of BCCL and CCL respectively. The loss making mines of ECL, BCCL and CCL cannot be converted into profit making mines without a reasonable extent of downsizing the manpower engaged in such mines.

Productivity of North-East Coal Fields Ltd.

1458. DR. ARUN KUMAR SARMA: Will the Minister of MINES AND MINERALS be pleased to state:

(a) the reasons for gradual fall of productivity of North-Eastern Coal Fields Ltd. since 1998, indicating the annual production level;

(b) whether there has been a move to shift the Headquarters of NE coal fields from Guwahati to Calcutta;

(c) if so, the details thereof;

(d) if not, the motive behind deserting the offices of NECCIL by gradual shifting of officers; and

(e) the prospective plan, if any, for improvement of NECCIL?

THE MINISTER OF STATE IN THE MINISTRY OF MINES AND MINERALS (PROF. RITA VERMA): (a) The major reasons for low production and low productivity in NEC are as follows:—

(i) Lack of demand.

(ii) Inadequate rail infrastructure facility.

(iii) Difficult geo-mining conditions.

(iv) Unviable economics of mining.

(v) High sulphur contents in Coal.

Because of very high production cost, further expansion of NEC operations would result in piling of stock at the pit head, which get deteriorated in quality. Even at the present level of coal production,